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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 04/17/08

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1) TOP HEADLINES

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Ten prefectures forced disabled to join new medical system for the elderly

Nikkei:

Ruling, opposition parties to launch consultative panel on road tax revenues

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Sankei:

Government intends not to incorporate the wording "disapprove of Taiwanese independence" in political document to be compiled by Prime Minister Fukuda and Chinese President Hu

Akahata:

Japanese Communist Party in policy urges most expensive academic fees in the word be reduced

2) EDITORIALS

Asahi:

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Mainichi:

- (1) Government's recommendation to drop plan to raise J-Power stake: Clear rule necessary
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Yomiuri:

- (1) New health insurance system for elderly: Confusion over health insurance no surprise
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- (1) Was thorough debate conducted on rejection of British fund?
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Sankei:

- (1) J-Power stake: Recommendation to suspend plan to raise stake appropriate
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- (1) Unofficial school websites: Children, parents need to discuss rules to use Internet
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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, April 16

NIKKEI (Page 2) (Full)
April 17, 2008

09:07 Met with Deputy Chief Cabinet Secretary Iwaki at the Kantei.

10:01
Upper House plenary session.

11:11
Arrived at the Kantei.

12:43
Inspected Job Cafe Chiba, a facility to assist job-seeking young

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people, in Funabashi City, Chiba Prefecture.

13:59
Inspected the Chiba Prefecture Consumer Center in the same city.

16:12
Met with Swedish Prime Minister Reinfeldt.

17:16
Met with Vice Foreign Minister Yabunaka. Then National Council on
Social Security meeting.

19:31
Arrived at the official residence.

4) Japan, China to adopt joint guidelines on cooperation for
denuclearization of Korean Peninsula and environmental policy;
"Strategically reciprocal relations" expected to be specified

NIKKEI (Page 1) (Full)
April 17, 2008

The Japanese and Chinese governments have now undertaken
full-fledged coordination on wording about a joint document they
plan to adopt when Chinese President Hu Jintao visits Japan from May
16. The joint document will serve as a new set of guidelines for
bilateral ties. According to a gist of the joint document revealed
yesterday, the joint document, as a common goal, specifies expanding
"strategically reciprocal relations." As priority areas for
cooperation, the document specifies environmental and energy policy,
as well as the Northeast Asian policy, which features denuclearizing
the Korean Peninsula.

The two governments regard the joint document as the fourth
important document following the 1972 Japan-China Joint Statement,
the 1978 Japan-China Peace and Amity Treaty, and the 1998
Japan-China Joint Declaration.

The joint document mentions the need for the two countries to
cooperate in the agricultural area, including safety measures for
food, as well as the need to accelerate mutual visits by the top
leaders of the two countries. Japan wants to include in the joint
document positive language about its bid for a permanent seat on the
United Nations Security Council. Meanwhile, China reportedly wants
to again specify in the joint document a one-China policy in
connection with the Taiwan issue.

By adopting the joint statement, Japan and China aim to steer clear
of cases of bilateral ties suffering setbacks owing to such pending
issues as gas field development in the East China Sea. Also, there
seems to be the judgment that once common perceptions as well as
goals are put down, the two countries will be able to maintain close
ties even after their leaders are replaced.

5) Nonsupport for Taiwanese independence and riots in Tibet unlikely to be mentioned in Japan-China political document expected to be released during Chinese President Hu's visit to Japan in May

SANKEI (Top play) (Lead paragraph)
April 17, 2008

The government yesterday informally decided not to incorporate in a
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political document expected to be released when Chinese President Hu Jintao is visiting Japan in May Japan's nonsupport for Taiwanese independence, something China has called for, and instead firmly maintain the government's previous position on Taiwan. The document will emphasize the need to strengthen future-oriented Japan-China relations as well as strategically reciprocal bilateral ties, but the document is expected to make no mention of the "Murayama Statement," in which then Prime Minister Murayama offered apologies for Japan's past colonial rule and aggression. It will also contain no mention of the riots in Tibet, which have drawn world attention. The 1998 Japan-China Joint Declaration specifies that the Murayama Statement should be observed.

6) Ibuki, Kitagawa ask Chinese Vice Foreign Minister Wu for cooperation on abduction issue

ASAHI (Page 4) (Full)
April 17, 2008

Liberal Democratic Party (LDP) Secretary General Bunmei Ibuki and New Komeito Secretary General Kazuo Kitagawa met yesterday in Beijing with Chinese Vice Foreign Minister Wu Dawei, chair of the six-party talks, to discuss North Korea. In the meeting, Ibuki asked the Chinese side for cooperation, saying: "The abduction issue is significant for Japan."

Wu then revealed his outlook, noting:

"North Korea appears to be unhappy with the (South Korean) new government's policy toward Pyongyang. South Korea, however, has taken a cool-headed approach. Although there are strained ties (between Seoul and Pyongyang), the relations will be improved as a whole."

Wu also talked about the six-party talks: "I expect the next round of the six-party talks will be held in the not-too-distant future."

7) Food issues to be high on agenda in Lake Toya Summit

ASAHI (Page 1) (Excerpts)
April 17, 2008

Reflecting recent sharp rises of prices of such food as rice and wheat across the world, the government decided yesterday to take up food issues as a major agenda item in the Lake Toya Summit in Hokkaido in July. The government has judged it necessary for the Group of Eight (G-8) leaders to come up with measures to ease growing political uncertainty that has been causing demonstrations and riots in the world, mainly in developing countries.

Such relevant ministries as the Agriculture, Forestry and Fisheries Ministry and the Foreign Ministry made the decision. The government intends to inform representatives from the G-8 of this policy during a sherpa meeting to be held in Japan next week. The government will carry out coordination on a plan to lay out immediate emergency measures in the 4th Tokyo International Conference on African Development in Yokohama in May and to announce in the G-8 medium- and long-term measures, such as creating international rules and increasing food production in order to stabilize food prices.

8) Divided Diet takes toll on Fukuda diplomacy; Prime minister forgoes May European tour

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NIKKEI (Page 2) (Excerpts)
April 17, 2008

The intensifying confrontation between the ruling and opposition camps resulting from the divided Diet is beginning to take a toll on Prime Minister Yasuo Fukuda's foreign policy. The prime minister has now been forced to give up his planned trip to Britain, France and Germany during the Golden Week holiday period in May due to Diet deliberations on road-related bills. There have been minor setbacks to his plan to buoy up his administration by exhibiting strong leadership in the G-8 Lake Toya Summit in July on the back of strong communication channels to other G-8 members.

Chief Cabinet Secretary Nobutaka Machimura in a press conference yesterday expressed concern that the prime minister's canceled European tour might negatively affect the country's diplomacy. He said: "Giving the impression that the prime minister cannot visit other countries freely won't benefit Japan."

The purpose of the prime minister's European tour was for him to get acquainted with leaders of G-8 participants ahead of the big event as the chair. Given the possibility that discussions on global warming, a major topic in the G-8 Summit, will dictate the process of crafting a post-Kyoto framework in 2013 and beyond, the prime minister intended to obtain cooperation from relevant countries through his European tour.

This is not the first time the prime minister has given up a trip to Europe. Soon after his assumption of office last September, the prime minister considered visiting Europe in early January 2008. But he needed to forgo the plan due to Diet deliberations on a bill extending the special measures law to resume the refueling operation in the Indian Ocean. He also had to give up his attendance at the World Economic Forum in Davos, Switzerland, in late January because the opening of the current Diet session overlapped with it.

The government ostensibly attributed the cancellation of the prime minister's trip this time to a failure to coordinate timetables between the three European countries and Japan. But the major cause is the situation in the Diet.

9) Ruling, opposition camps to set up consultative body on policy of opening road tax revenues for general use

NIKKEI (Top Play) (Lead Paragraph)
April 17, 2008

The ruling and opposition camps agreed yesterday to set up a consultative body to discuss the issue of special tax revenues earmarked for highway construction and maintenance projects. Prime Minister Yasuo Fukuda proposed moving highway-related tax revenues into the general account in late March. The new body, tasked with discussing what system should be made in line with Fukuda's proposal, will hold its first meeting tomorrow. This will be the first full-scale arena for talks between the ruling and opposition blocs in the divided Diet. Still, there is a wide gap in both sides' views about the provisional tax rates, so difficult negotiations are expected from the very beginning of the meeting.

10) DPRK reaches tentative agreement on nuclear declaration related to uranium enrichment, nuclear technology transfer

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YOMIURI (Page 2) (Full)
April 17, 2008

United States Assistant Secretary of State Christopher Hill and North Korean Vice Foreign Minister Kim Kye Gwan met in Singapore on April 8 and discussed the North Korean nuclear issue. Speaking yesterday of this meeting, a senior Foreign Ministry official revealed that both officials reached a tentative agreement on the issue of uranium enrichment and the transfer of nuclear technology to third countries, such as Syria, both of which were the key points at issue in North Korea's declaration of its nuclear programs.

The official noted, "Working-level officials from the U.S. and North Korea seem to have reached an accord on uranium enrichment and Syria." At the same time the official added, "But much remains to be done, and the road ahead is steep." The official indicated that a lot of tasks, including how much plutonium the North has extracted remains to be dealt with before North Korea makes a "complete and accurate declaration."

11) Third Regional Coast Guard Headquarters recreates Atago collision

MAINICHI (Page 1) (Full)
April 17, 2008

The Maritime Self-Defense Force's Aegis-equipped destroyer Atago collided with the fishing boat Seitoku Maru off Cape Nojima, China Prefecture, in February, leaving two fishermen missing. The Third Regional Coast Guard Headquarters (Yokohama) began yesterday evening an on-site investigation by recreating the collision. In the reproduced accident, the Atago and 10 patrol boats that acted as fishing boats cruising in the area that fatal day set sail to verify the wakes and locations of the two ships. The Atago cruised the waters for the first time since the accident.

The Atago departed from MSDF Yokosuka Base at 1:30 p.m. The investigation was conducted under the generally same conditions, such as wind, wave height, and brightness.

12) Women's Association on the Constitution calls for halt to "sympathy budget" for U.S. military

AKAHATA (Page 5) (Full)
April 17, 2008

Eight representatives of the Women's Association on the Constitution requested yesterday that all parties and parliamentary groups in the two Diet chambers pursue policies in line with Article 9 and Article 25 (the right to a minimum standard of living) of the Constitution.

They specifically sought five items: (1) removal of U.S. bases from Japan, (2) a halt to the "sympathy budget" for the stationing of U.S. forces in Japan, (3) discontinuation of a plan to pass a permanent law governing the overseas dispatch of the SDF, (4) opposition to the start of the Constitution Council, and (5) discontinuation and abolition of the medical system for the very old.

Representing the Japanese Communist Party, House of Representatives member Seiken Akamine received the group. A representative of the

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group said: "Over 5 trillion yen is earmarked for the sympathy budget. At the same time, funding for the people's welfare, medical services and lives is far from sufficient. One can easily tell for whom politics is conducted." In response, Akamine expressed the JCP's determination to spearhead the drive to reduce and remove U.S. bases and defend the Constitution in close cooperation with the public.

13) Swedish prime minister tells Fukuda: Sweden places importance on China's dialogue

MAINICHI (Page 5) (Full)
April 17, 2008

Prime Minister Yasuo Fukuda met yesterday at his office with his Swedish counterpart Fredrik Reinfeldt. Referring to the riots in Tibet, Reinfeldt said: "The rule of law and human rights in China are important. We stress that dialogue should be held (between Chinese President Hu and the 14th Dalai Lama)." Fukuda then explained the Japanese government's position, noting: "We are calling on those involved to respond calmly."

14) Japan, Sweden to cooperate on greenhouse gas emissions

ASAHI (Page 4) (Full)
April 17, 2008

Prime Minister Yasuo Fukuda held talks yesterday with Swedish Prime Minister Fredrik Reinfeldt, now visiting Japan, at the Prime Minister's Official Residence. The two leaders agreed to closely cooperate on the issue of reducing greenhouse gas emissions by asking major emitters to take part in an international agreement. They also confirmed that their countries would step up cooperation on assistance for the reconstruction of Afghanistan, as well as on the development of human resources in the peace-building area.

15) Comprehensive strategy to boost economic growth: LDP to set up special committee to revitalize domestic-demand-oriented industries

NIHON KEIZAI (Page 2) (Full)
April 17, 2008

The Liberal Democratic Party (LDP) will compile a Comprehensive Strategy for Creating Japan's Vitality (tentative name), an economic strategy aimed at expanding domestic demand and boosting growth. The envisaged strategy will focus on policies to revitalize domestic-demand-oriented industries, such as services and agriculture, and promote environment-related technological development. The party will set up a special committee on April 18. It plans to issue an interim report possibly in June and a final report this summer. It wants to reflect the panel's report in the basic policy guidelines on economic and fiscal management and structural reforms for fiscal 2008 and the fiscal 2009 draft budget.

The envisaged panel is a Special Committee to Create Japan's Vitality (tentative name). The panel will be chaired by Policy Research Council Chairman Sadakazu Tanigaki. Takumi Nemoto will serve as an organizer. Participants will also include Deputy Policy Research Council Chairman Hiroyuki Sonoda and former Policy Research Council Chairman Nobuteru Ishihara.

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The focal point of the comprehensive strategy will be measures to assist domestic-demand-oriented industries, such as services and agriculture. The idea is to help those industries, which have a weak presence abroad, advance overseas so that they can create high-quality made-in-Japan products like electronic appliances and automobiles.

Another feature of the strategy is regulatory reform aimed at creating new businesses. Security, safety and health-related areas will be taken up with reform for the sake of the public in mind.

16) METI, MOF ask British fund to drop plan to raise stake in J-Power: First regulatory control under Foreign Exchange Law

MAINICHI (Top Play) (Lead para.)
April 17, 2008

The Ministry of Economy, Trade and Industry (METI) and the Ministry of Finance (MOF) on April 16 asked the Children's Investment Master Fund (TCI), a British hedge fund that has applied to raise its stake in J-Power, to drop the plan, citing a possible disturbance of public order. This is the first case of the government issuing such a notice in compliance with the Foreign Exchange and Foreign Trade Control Law. The government is expected to issue an order to TCI to desist from increasing its stake in J-Power, if the fund fails to comply with the order within 10 days. John Ho, head of the fund's Asian operations, did not indicate any clear-cut stance regarding what approach the fund would take. He simply noted, "We will take our time to look into the notice."

17) Japan, EU to call in joint statement for new international framework for energy conservation

MAINICHI (Page 3) (Excerpts)
April 17, 2008

Japan and the European Union (EU) will issue a joint statement in their summit to be held in Tokyo on April 23. According to the draft unveiled yesterday, both sides will propose in the statement establishing an International Partnership for Cooperation on Energy Efficiency (IPEEC), a new international framework to promote energy conservation as a means of fighting global warming. The statement will reiterate the need for Japan and the EU to enhance cooperation in ensuring the safety of imported food.

Japan expects that the establishment of the IPEEC will be agreed on in the Group of Eight (G-8) energy ministerial in Aomori City in June and that it will be made one of the achievements in the G-8 Summit (Lake Toya Summit in Hokkaido) in July.

Concern is rising about the safety of imported foods worldwide in the wake of a poisoning outbreak caused by tainted Chinese dumplings. Given this, Prime Minister Yasuo Fukuda and Prime Minister Jansa of Slovenia, the chair of the EU, will demonstrate an eagerness to address such tasks as ensuring food safety and protecting consumers, in a drive to apply pressure on China and other countries.

The draft statement reconfirms that Japan and the EU will play a major role in addressing such challenges as global warming and economic development in developing countries. In order to reduce greenhouse gas emissions, the draft urges China and other emerging

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countries to make appropriate contributions in accordance with the levels of their responsibility and capability.

SCHIEFFER